

The Honorable Curtis Collier
United States District Court
Eastern District of Tennessee
900 Georgia Avenue, Room 253
Chattanooga, TN 37402

September 24, 2018

Dear Judge Collier,

I am submitting this letter in further support of Mark Hazelwood. As I wrote in my initial letter, Mark recruited me in 1991 to be Director of Credit for Pilot. After leaving Pilot, I've gone on to other roles in the trucking industry. I am writing to give the Court additional information and detail about the programs Mark created and the ways in which they helped the trucking industry. These programs saved trucking companies hundreds of millions of dollars and kept several from going out of business. Mark continues to create innovations that help to solve some of the key issues facing the trucking industry today.

As I explained in my first letter, Mark created the direct bill program. Before Pilot implemented direct bill, trucking companies used billing companies that provided services specifically to the trucking industry. Those billing companies would issue credit cards that truck drivers could use only to buy fuel or other items specific to the trucking industry. They would then bill the trucking companies for the fuel and other charges. The billing companies charged fees for each transaction. Depending on the billing company and the customer, those fees generally ranged from \$3.00 to \$5.00 per transaction. Mark's direct bill program allowed the trucking companies to pay Pilot directly for purchases made at Pilot instead of paying the billing companies—eliminating the \$3.00 to \$5.00 per transaction fee for these transactions. This saved trucking companies hundreds of millions of dollars.

Mark's direct bill innovation also provided credit lines to the companies that were approved. Billing companies often required customers to get letters of credit or provide a cash deposit in order to get credit for its fuel purchases. Pilot generally gave customers an unsecured line of credit. This meant that some customers who couldn't get credit through regular billing companies were able to get credit from Pilot. Without that credit, some customers would have gone out of business because they did not have the credit they needed to buy fuel and run their trucks. The credit program that Mark started enabled these companies to stay in business. Pilot's direct bill program also helped customers because most billing companies required customers to pay every day for the fuel they purchased. Pilot terms were usually weekly (plus customers usually took around five additional days to pay). This was unheard of for billing companies to do. It saved customers from having to borrow, and because Pilot did not charge interest, it gave customers an interest-free loan. Pilot also gave cash advances to drivers and did not charge interest on that either. This also saved customers millions of dollars. Only Pilot offered this.

Mark also created hedging programs that allowed a customer lock in a set number of gallons at a certain price for a set time period. If the price of diesel went up, the customer had the option to pull those gallons at Pilot locations or sell out the remaining gallons and receive the profit on the deal. This saved customers millions of dollars. For example, a customer could do a 10-year hedge, which would lock in a price for 10 years and give the customer 10 years to pull the number of gallons it had agreed to. If fuel prices went down, the customer could spread out the gallons over time, and if fuel prices went up they could pull all the gallons and receive payment for the profit.

Mark also created the idea of fuel networks. Pilot identified truck stops where its customers could go along a specific route to save the trucking company the most money. For example, Pilot might recommend a stop in Illinois rather than one nearby in Indiana if the taxes or overall rack prices were lower at the Illinois stop, making overall fuel prices lower. The fuel network did not only include Pilot stops, it included other Truckstops, if using them would be cheaper for the customer.

Many of the innovations Mark introduced saved the trucking company customers a lot of money, and saved the industry billions. For example, Mark introduced the idea of giving customers discounts for fuel purchased. Before him, no one gave discounts. These discounts that could be anywhere from one cent to over 50 cents per gallon saved the industry billions of dollars. Even if some discounts were lower than customers thought they were, the customer still saved millions more than it would have without Mark, because they would not have had any discount at all.

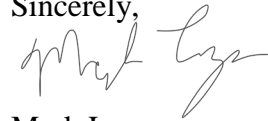
Mark's new businesses are also all aimed at helping the industry. For example, he started a company that helps trucking companies with the number one issue in the industry, driver recruiting and retention. Trucking companies generally have a 100% per year driver turnover rate. Companies did not have a system for retaining drivers and drivers often leave for reasons that could be resolved if the companies had a system for learning of the problem and working it out with the driver. Mark's company assigns an outside agent to each driver. The driver can call the agent if he's having a problem or the agent will call the driver if he is considering quitting, and the agent will help communicate with the company. This gives the driver someone to call outside of his employer if the driver is worried about talking to his employer directly. This system has lowered driver turnover at the companies he is working with, by helping the drivers and companies communicate.

Mark's trucking advertising and marketing company also helps fix a major problem facing the industry, which is that the trucking industry does not have a good public image so has a hard time recruiting new drivers. The average age of drivers is almost 50. Mark's company helps promote trucking in the U.S. and improve the image of the industry. This helps with the industry's driver shortage and the overall image of the trucking industry.

With my current company buying and selling trucks and trailers to and from trucking companies throughout the United States, I talk to trucking companies nationwide, every day. I know a lot of trucking companies that received checks from Pilot for much more money than they thought they deserved. I don't know of any trucking company that is mad at Mark, as a matter of fact most

are supportive of Mark, asking me what they can do to help him because he's done so much for them and for the industry. I hope the Court will consider all that Mark has done, and all that he could continue to do to help the industry, trucking companies, and drivers, in deciding his sentence.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Lazarus". The signature is fluid and cursive, with the first name "Mark" and last name "Lazarus" clearly distinguishable.

Mark Lazarus